

February 25, 1975

**Mr. Lowe Ashton
President,
Heber Creeper, Inc.
P. O. Box 69
Heber City, Utah 84032**

Dear Mr. Ashton:

According to the instructions given to me and others in the minutes of the Heber Creeper Board of Directors on January 16, 1975, we have met and made some recommendations concerning the renewing of the Concession Agreement dated May 17, 1974 by and between Heber Creeper, Inc. and Hubco. After reviewing this lease, we would like to suggest the following changes in considering renewing this lease for another operating season with Hubco. May we report as follows:

Section 3, Page 1. It was felt in the beginning that this section should be eliminated, but after further consideration, it was decided that it should be left in the contract as written.

Section 4, Under Agreement- It was felt that the term for the renewal lease if executed, should run from May 1, 1975 to and including October 15, 1975.

Section E, Page 3. It was felt that the first part of this section should be changed to read: "On or before the 10th day of each and every month, Hubco shall pay to the Creeper, an amount equal to 7% of the gross receipts after sales tax, or \$1,000.00 whichever is the greater.

Section 6, Page 4. It was felt that this paragraph was not definite enough concerning entertainment for the night train and that it should be completely changed and a new paragraph inserted making the entertainment a more definite thing and

that the portion beginning "In addition, Hubco agrees to leasehold improvements," at the end of this sub section should be eliminated.

Paragraph 7, Page 4. It was felt that this paragraph should be revised to show that the Creeper agrees to be ready for operation at least thirty minutes prior to the time of departure to coincide with the thirty minute advance preparation to be made by Hubco.

Section 9, Page 5. It was felt that the Heber Creeper should be responsible for any major structural changes that might be required by the Board of Health, and all other requirements would be the responsibility of Hubco.

Section 5, Page 5. It was felt that the insurance requirements of Hubco, particularly that of Products and Professional Liability should be in the same amounts as the Heber Creeper and that the Heber Creeper should be shown as an additional insured under Hubco's policy.

Section 8, Page 6. It was felt that the amount Hubco would provide for advertising should be increased from 2% to 3% of gross sales.

Section 2, Page 6. It was felt that this section should be eliminated.

Section 3, Page 6. It was also recommended that this section be eliminated from the new contract.

Section 6, Page 7. It is recommended that this section be eliminated from the new contract.

Section I, Page 7. It was felt that there should be some revision in this section which should be agreed upon by the management of Hubco and the officers of Heber Creeper.

Section 11, Page 8. It was suggested that this section be revised and that the only bills which should be submitted in advance, and be approved, are those kind of bills which might create mechanics or materialman's liens against the Heber Creeper.

Section 13, Page 8. This section should be eliminated.

Section 14, Page 8. It is recommended that the word "Annual" be eliminated from the new contract.

We realize that there might be other minor changes which should be made in connection with the revised contract, but we feel that this can be handled by the management of the organizations concerned with this contract.

Over and above the discussion concerning the contract its'self, Hubco feels that they are willing to spend considerable funds to expand the night train concept, but feeling that this is something separate and apart from our assignment, we felt that this should be discussed and handled separately from this report.

Respectfully submitted,

Gordon Mendenhall

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